

## STATEMENT OF PURPOSE

### RS21397

This legislation removes, for FY13 and ongoing, the additional 2.38% negative adjustment that had been scheduled for the salary-based apportionment funding for public school teachers, administrators and classified staff. This has the effect of not only keeping FY13 salary-based apportionment at the same level as FY12, as an ongoing funding decision, it also reduces the total reductions scheduled for salary-based apportionment in future years by 2.38%.

It does not, however, address the additional incremental adjustments to salary-based apportionment required in FY14 and beyond. While Idaho's economy is clearly generating sufficient revenues to support removing the 2.38% negative adjustment in FY13 on an ongoing basis, the 2012 Legislature is not in a good position to evaluate the affordability of negating the additional 2.25% negative adjustment currently scheduled for FY14.

The 2012 Legislature is simply not in possession of a revenue forecast for FY14 that would enable it to make such a decision with confidence. This legislation, therefore, leaves that decision to the 2013 Legislature, which will be in a much better position to evaluate the economy one year from now, and make a determination as to the adequacy of FY14 revenues.

Just as is the case for FY13, finding sufficient ongoing revenues to maintain the existing level of salary-based apportionment funding, while also funding teacher compensation increases through minimum salary increases and Pay for Performance, will continue to be a top priority for the Idaho Legislature going forward.

### FISCAL NOTE

No fiscal impact beyond that which has already been incorporated into the FY13 Public Schools budget, as set by the Joint Finance-Appropriations Committee on March 5, 2012.

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